

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

August 11, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Oahu

Forfeiture of Revocable Permit No. S-4553, Union Oil Company of California, Permittee, Honolulu, Oahu, Tax Map Key (1)1-5-36:001(por), (1)1-5-41:001,006(por).

PURPOSE:

Forfeiture of Revocable Permit No. S-4553, Union Oil Company of California, Permittee.

LEGAL REFERENCE:

Section 171-55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kapalama Channel in Honolulu Harbor and Sand Island, identified by Tax Map Key: (1) 1-5-36:001(por), and (1) 1-5-41:001,006(por), shown on Exhibit "A" and Exhibit "B".

AREA:

34,699 sq. ft., more or less.

TRUST LAND STATUS:

Section 5(E), 5(A) lands of the Hawaii Admission Act.

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES _____ NO X

CHARACTER OF USE:

Non-exclusive right, privilege and authority to construct, use, maintain and repair underground pipelines.

COMMENCEMENT DATE OF PERMIT:

Commenced on June 5, 1970.

MONTHLY RENTAL:

\$703.00.

REMARKS:

The tenant has not paid rent for the last three months. No rental has been received for the months of May, June and July 2006. The account is delinquent in the amount of \$2,109.00. Monthly delinquency letters were sent to the permittee. They have informed staff they were processing payment, but none received.

The file shows the pipe line within this permit is now owned by Tosco Refining Company, (TRC), with a local address at 411 Pacific Street, Honolulu, Hawaii. However, the permit was never cancelled and reissued in the name of TRC.

There is a pending action dating to April 30, 2001 between TRC and the Harbors Division of the State Department of Transportation (Harbors), to determine the current jurisdiction of the areas where the pipe lays. Upon this determination, new dispositions would be issued to TRC by the affected government agencies. A major section of the area encumbered by Revocable Permit No. S-4553 is now within areas managed by Harbors under Governor's Executive Orders 2462, 2844 and 2931. Staff plans to eventually cancel Revocable Permit No. S-4553 and have Harbors issue a permit to TRC when the current jurisdiction of the entire pipeline is determined.

Based on the current rental delinquency of three months, Staff respectfully requests the termination of Revocable Permit No. S-4553.

As of August 11, 2006, the current status of all permit compliance items is as follows:

RENT: The Permittee has a rental delinquency of \$2,109.00 for the period of May 1, 2006 to July 31, 2006.

INSURANCE: The Permittee has posted the required liability insurance policy. Expiration date is 3/15/07.

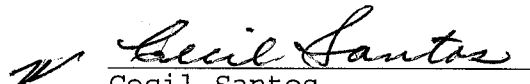
SECURITY DEPOSIT:

The Permittee has posted the required security deposit of \$ 1,406.00.

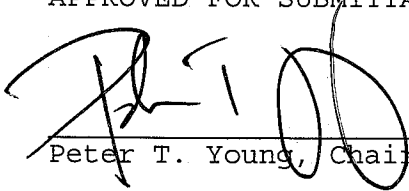
RECOMMENDATION: That the Board:

1. Authorize the cancellation of Revocable Permit No. S-4553 in the manner specified by law;
2. Authorize the retention of all sums heretofore paid or pledged under Revocable Permit No. S-4553 as liquidated damages;
3. Terminate the permit and all rights of Permittee and all obligations of the Permitter effective as of August 11, 2006, provided that any and all obligations of the Permittee which have accrued up to said effective date or which are stated in the permit to survive termination shall endure past such termination date until duly fulfilled, and further provided that Permitter reserves all other rights and claims allowed by law; and
4. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under Revocable Permit No. S-4553 and to pursue all other rights and remedies as appropriate.

Respectfully Submitted,


Cecil Santos
Oahu District Land Agent

APPROVED FOR SUBMITTAL:


Peter T. Young, Chairperson

[illegible]

KALIHI CHANNEL

SUBJECT TO CHANGE

NOTE: All lots owned by State of Hawaii (Dept of Trans, Harbors Division) near E-2 and No 2303 unless otherwise noted. See N/S for notations & locations

TAX ATION MAPS BUREAU TERRITORY OF HAWAII			
TAX MAP			
FIRST DIVISION			
ZONE	SEC.	PLAT	
1	5	36	
CONTAINING PARCELS			
SCALE: 1 in. = 60 ft.			

EXHIBIT "A"

